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April 22, 2002

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APR 22 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20036


Re: In the Matter of Federal-State Joint Board on Universal
Service, CC Docket No. 96-45

Dear Ms. Dortch:

95-1161

Attached for filing with the Commission in the above-captioned proceeding are the comments of the Competitive Telecommunications Association. These comments are being filed in conformity with the Commission's Notice of Proposed Rulemaking in this docket. Please call the undersigned if you have any questions concerning the attached filing.

Sincerely,


Robert J. Aamoth

cc: Sheryl Todd
Accounting Policy Division
Qualex International

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
1998 Biennial Regulatory Review –)	CC Docket No. 98-171
Streamlined Contributor Reporting)	
Requirements Associated with Administration)	
Of Telecommunications Relay Service, North)	
American Numbering Plan, Local Number)	
Portability, and Universal Service Support)	
Mechanisms)	
)	
Telecommunications Services for Individuals)	CC Docket No. 90-571
With Hearing and Speech Disabilities, and the)	
Americans with Disabilities Act of 1990)	
)	
Administration of the North American)	CC Docket No. 92-237
Numbering Plan and North American)	NSD File No. L-00-72
Numbering Plan Cost Recovery Contribution)	
Factor and Fund Size)	
)	
Number Resource Optimization)	CC Docket No. 99-200
)	
Telephone Number Portability)	CC Docket No. 95-116
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

**COMMENTS OF THE
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION**

The Competitive Telecommunications Association (“CompTel”), by its attorneys, hereby submits comments in response to the *Further Notice of Proposed Rulemaking and Report and Order*, FCC 02-43, released by the Commission on February 26, 2002 in the above-captioned proceedings. CompTel is the premier industry association representing competitive

telecommunications providers and suppliers in the United States. CompTel's member companies include the nation's leading providers of competitive local exchange, long distance and information services. As a result, CompTel has a direct interest in this proceeding.

At the outset, CompTel wishes to emphasize that it continues to study proposals and options for reforming the current universal service system, and that it is actively reviewing these issues with its member companies. Although CompTel is not able at this time to take a position upon the fundamental reform proposals contained in the *Further Notice*, CompTel applauds the coordinated efforts of the Ad Hoc Telecommunications Committee, AT&T, e-Tug and WorldCom to address the pressing need to reform the current system. CompTel agrees with those parties, and the Commission, that the current system is broken because it relies too heavily upon interstate wireline voice minutes. That traffic is declining each year, with the result that increasingly greater and unsustainable burdens are being placed on this traffic stream to fund universal service. Further, certain categories of carriers pay less than their full share of contributions (e.g., wireless carriers), and the accelerating trend toward bundled and flat-rate service offerings makes it more difficult, if not impossible, to measure interstate telecommunications revenues accurately for purposes of imposing universal service obligations. As a result, CompTel agrees that major reforms of the current system are needed.

In considering proposals and options for reforming the current system, CompTel urges the Commission to adhere to several fundamental precepts. *First*, it is critical that the Commission avoid imposing onerous or undue burdens on competitive carriers. The telecommunications industry today is in a state of volatile turmoil, and the list of competitive carriers exiting the market through consolidations and bankruptcies grows longer every month. Many remaining carriers also are victims of this market volatility. In these circumstances, it

would harm competitive market conditions to saddle new entrants with significant new administrative burdens.

Second, and more generally, the Commission should strive to ensure that any reforms of the universal service system are competitively neutral. In particular, the Commission should make sure that new rules do not discriminate against particular classes of customers (*e.g.*, small and medium-sized business customers), or the carriers that focus on serving those customers. Similarly, the Commission should strive to ensure that its rules do not discriminate against carriers based on their preferred mode of entry. For example, if one carrier seeks to provide service through unbundled network elements, while another carrier uses Special Access or other ILEC-tariffed services, the Commission's universal service rules should not impose a greater burden on one carrier than the other. In CompTel's view, competitive neutrality is mandated by Congress' directive that universal service obligations shall be imposed "on an equitable and nondiscriminatory basis." 47 U.S.C. §254(d).

For the foregoing reasons, CompTel supports the Commission's inquiry to reform the universal service contribution system, and urges the Commission to adopt reforms that are consistent with the principles stated herein.

Respectfully submitted,

COMPETITIVE TELECOMMUNICATIONS
ASSOCIATION

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DATED: April 22, 2002

CERTIFICATE OF SERVICE

I, Theresa A. Baum, hereby certify that I have caused a copy of the foregoing "Comments of the Competitive Telecommunications Association," in CC Docket No. 96-45 to be served on this 22nd day of April 2002, via hand delivery, upon the following:

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